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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

June 19, 1996

BY MESSENGER

Ms. Regina M. Keeney
Chief, Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Re: CC Docket No. 96-61

Dear Ms. Keeney:

The Commonwealth of the Northern Mariana Islands ("Commonwealth")¹, by its attorney, hereby responds to the Federal Communications Commission's ("Commission") letter dated June 5, 1996 requesting parties to submit proposals for implementing Section 254(g) of the Telecommunications Act of 1996 ("1996 Act")² as applied to providers of interstate interexchange services to the Commonwealth. In its letter, the Commission additionally invites parties to discuss "any other matters" regarding implementation of rate integration.

The Commonwealth supports the Commission's effort, expressed in its letter, to gather industry input with respect to implementation issues on an expedited schedule. Such an approach should help ensure that the Commission is able to adopt rules implementing rate integration by August 8, 1996, in accordance with Section 254(g) of the 1996 Act.

As a government entity and not a carrier serving the Pacific region, the Commonwealth is not in a position to submit a specific proposal for the implementation of rate integration, including proposed rates. Instead, the Commonwealth believes that carriers currently serving the Pacific region are best situated to develop detailed proposals for implementing rate integration in conformance with the 1996 Act. However, to assist the Commission in facilitating

¹ This letter is submitted by the Office of the Governor of the Commonwealth and concurred in by the Commonwealth's Office of the Resident Representative.

² Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996)(to be codified at 47 U.S.C. §§ 151 et seq.).

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the implementation process, the Commonwealth offers by this letter the following general guiding principles which the Commission should keep in mind in implementing rate integration:

RATE INTEGRATION MUST LEAD TO LOWER RATES

The Commonwealth believes that any rate integration rules which the Commission adopts must reflect the true objective of Commission's rate integration policy. The objective of the Commission's rate integration policy is to "minimize the distinctions that have heretofore existed in rates and services to these [offshore] points as compared to communications among the contiguous states" ³ Specifically, the rate integration policy requires that a carrier serving a noncontiguous U.S. point employ the same rate structure or rate scheme for those points that it employs for the mainland U.S. points. ⁴ Of course, for rate integration to be meaningful, the Commission must ensure that its implementation results in lower telecommunications rates for Commonwealth ratepayers.

RULES MUST BE ADOPTED BY THE CONGRESSIONAL DEADLINE

Rules implementing rate integration must be adopted according to the Congressional deadline. Specifically, Section 254(g) of the 1996 Act mandates that the Commission adopt rules to implement rate integration within six months, or by August 8, 1996. Such a rapid turnaround for the adoption of rules manifests Congress' unmistakable intent that rate integration be implemented expeditiously. ⁵ In fact, no other provision of the 1996 Act calls for the adoption of rules more expeditiously than Section 254(g).

The Commonwealth believes that Section 254(g)'s mandate to adopt rules implementing rate integration should be strictly followed in the instant matter. Any delay in the implementation of rate integration for the Commonwealth would only extend the current discriminatory treatment of the Commonwealth, and continue to deny Commonwealth ratepayers

³ In re Establishment of Domestic Communications-Satellite Facilities By Non-Governmental Entities, Second Report and Order, 35 FCC2d 844, 858 (1972).

⁴ Id., reaffirmed on reconsideration, Memorandum Opinion and Order, 38 FCC2d 665, 692 (1972).

⁵ The Commonwealth emphasized the importance of expedited implementation in the insular areas and avoidance of delay in its Comments and Reply Comments filed on April 19, 1996 and May 3, 1996, respectively. Comments of Commonwealth of the Northern Mariana Islands, to the Notice of Proposed Rulemaking in CC Dkt. No. 96-61, at 6, 15 (April 19, 1996)("Comments of Commonwealth"); Reply Comments of Commonwealth of Northern Mariana Islands, to Notice of Proposed Rulemaking in CC Dkt. No. 96-61, at 4 (May 3, 1996)("Reply Comments of Commonwealth").

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the substantial benefits of rate integration.⁶ Prompt implementation of rate integration is not only consistent with Section 254(g)'s mandate, but it is also in the public interest.

TO THE EXTENT PRACTICABLE, RATE INTEGRATION SHOULD OCCUR SIMULTANEOUS WITH COMMONWEALTH NANP ENTRY AND 1+ DIALING

As far as actual implementation goes, the Commonwealth believes that rate integration should occur, to the extent practicable, simultaneous with North American Numbering Plan ("NANP") entry and equal access 1+ dialing for the Commonwealth. The NANP Administrator has officially assigned the 670 NPA code to the Commonwealth (see Attachment A). Based on discussions at Industry Numbering Committee meetings, NANP entry for the Commonwealth will begin with a permissive dialing period commencing on July 1, 1997.⁷

An intimately related issue involves equal access or 1+ dialing. While Micronesian Telecommunications Corporation ("MTC"), the GTE subsidiary which provides local exchange service in the Commonwealth, announced a conversion to Feature Group D equal access in the Commonwealth on June 17, 1993, such a conversion only resulted in actual 1+ dialing between the main populated islands of Saipan, Tinian and Rota. All off-island calls from the Commonwealth to NANP points, or in-bound calls placed from NANP points, must currently utilize the international dialing protocol (i.e., "011"). The Commonwealth assumes that MTC will implement 1+ dialing (i.e., Feature Group D equal access) between the Commonwealth and all other NANP points at the time the Commonwealth becomes part of the NANP.

The Commonwealth believes that it would be preferable that these events, NANP entry and 1+ Feature Group D dialing, occur simultaneously with actual implementation of rate integration, to the extent practicable.

As a final matter, the Commonwealth wishes to note that it has joined a working group (which includes participating carriers) convened to address rate integration implementation issues. By way of background, the Office of the Governor of the Territory of Guam ("Guam

⁶ The benefits of rate integration include integration of U.S. offshore residents into the social and economic fabric of the Nation, increased economic growth, lower communications prices, increased competition and improved customer services. See Comments of Commonwealth at 5-6.

⁷ Comments of Commonwealth at Attachment; Guam and CNMI to Get Area Codes, U.S. Department of Interior News Release (April 16, 1996)(see Attachment B).

Governor's Office") convened the working group to address Guam-based implementation issues.⁸ In its Reply Comments in this proceeding, the Commonwealth stated that it was not opposed to the implementation of a working group, but expressed concern over such a working group becoming a vehicle to delay the implementation of rate integration.⁹ In any event, the Commonwealth was not invited to the initial meetings of the Working Group, presumably since the group was originally convened to address Guam-related issues. During the May 20, 1996 meeting of the Working Group in Guam, one of the participants requested that the Guam Governor's Office invite the Commonwealth to attend the working group sessions.¹⁰ This same request was reiterated by a different participant at the May 22, 1996 meeting, also held in Guam, and expanded to include GTE, American Samoa, AT&T and COMSAT.¹¹ Apparently as a result, a formal invitation to participate in the Working Group was forwarded on June 6, 1996 to the Commonwealth Office of the Governor.¹² Accordingly, counsel for the Commonwealth attended the meetings of the Working Group held in Washington, D.C. on June 10-12, 1996. As the attached resolution indicates, the Working Group was renamed to the "Guam/CNMI Working Group" to reflect the intent of the Commonwealth to participate in the working group.

The Guam/CNMI Working Group discussed at length several proposals introduced by the parties. A copy of the proposals--on which the group could not reach consensus--is included as attachment C. It should be noted that the local exchange carrier serving the Commonwealth, MTC, was not present at the Working Group meetings. Since the Commonwealth has not had the opportunity to discuss these issues in detail with MTC, it will not, at this time, take a position on the proposals. Further meetings have been scheduled for July 8-9, 1996.

⁸ Joint Comments of the Governor of Guam and The Guam Telephone Authority, to the Notice of Proposed Rulemaking, in CC Dkt. No. 96-61, at 5 (April 19, 1996); see also Governor of Guam, Rate Integration Working Group, Minutes of Meeting at 2 (May 20, 1996); Rate Integration Working Group, Governor of Guam, Principles and Procedures at 1 (1996) (the Mission statement makes clear that the group "will provide an arena for discussion and resolution of numerous issues affecting the Implementation of rate integration for Guam.").

⁹ Reply Comments of Commonwealth at 14-16

¹⁰ Governor of Guam, Rate Integration Working Group, Minutes of Meeting at 2 (May 20, 1996).

¹¹ Governor of Guam, Rate Integration Working Group, Minutes of Meeting at 3 (May 22, 1996).

¹² Letter from Sam Hill, Administrative Assistant, Office of the Governor Territory of Guam, to Governor Froilan C. Tenorio, Commonwealth of the Northern Mariana Islands (June 6, 1996).

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The Commonwealth appreciates this opportunity to express its views with respect to implementation issues before the Commission.

Sincerely,

A handwritten signature in dark ink, appearing to read "Thomas K. Crowe", written in a cursive style.

Thomas K. Crowe,
Counsel for the Commonwealth
of the Northern Mariana Islands

cc: Sherille Ismail
Neil Fried
All parties of record

Attachments

ATTACHMENT A

Bellcore

Bell Communications Research

Ronald R. Conners
Director NANP AdministrationPYA 1F275
6 Corporate Place
Piscataway, New Jersey 08854-4157
908-699-3700
Fax 908-336-3293

May 10, 1996

The Honorable Froilan C. Tenorio,
Governor of the Commonwealth of the Northern Mariana Islands
Caller Box 10007
Saipan, MP 96950

Sir:

This is in response to your request dated March 31, 1995 for the assignment of a new Numbering Plan Area (NPA) code for the Commonwealth of the Northern Mariana Islands (CNMI). Upon receipt of your request, in accordance with NPA assignment guidelines established by the North American telecommunications industry, North American Numbering Plan Administration (NANPA) notified the appropriate federal regulatory bodies of participating NANP countries of NANPA's intention to make the NPA assignment to CNMI and requested comments. In response, NANPA received several communications from Industry Canada, the Canadian regulator, expressing concerns about this assignment. Industry Canada deferred support of the assignment until the Canadian industry had an opportunity to fully investigate and evaluate the effects that might result from the assignment. It is our understanding that their investigation is complete, and that they do not oppose the assignment of an NPA code to CNMI. Therefore, please be advised that NANPA hereby officially assigns the 670 NPA code to CNMI. The code assignment will be announced at the next meeting of the Industry Numbering Committee (INC) in June, 1996.

The implementation plan and schedule for the new 670 NPA are the responsibility of CNMI. The North American telecommunications industry has requested that they be notified of the implementation plans for new NPAs *at least twelve months* before the introduction of the new NPA, i.e., before the beginning of permissive dialing, in order to adequately plan for it. To accomplish this notification, NANPA will issue a Bellcore Informational Letter (IL) describing the details of the relief plan as soon as we have received them from CNMI. The industry has requested that the following information be included in the IL:

- A map of area affected
- The exact date and time of the 670 NPA activation
- The exact date and time of the worldwide deactivation of Country Code 670
- Whether there will be a permissive period for international dialing into CNMI during which international calls can be completed by dialing either + 670 or + 1 670, and, if so, what the date and time of the end of the international permissive dialing period is
- The exact date and time of the end of the domestic permissive dialing period (i.e., the period when calls may be completed by dialing either the international address or the 670 NPA, within the NANP area)
- The dialing plan for the new NPA, i.e., how calls will be dialed within the new 670 NPA and to other NPAs in the NANP

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- A test number to the 670 NPA and when it will be activated and deactivated
- A trouble reporting number that may be called in the event that calls cannot be completed to the new NPA
- NPA implementation coordinator names and telephone numbers
- Any other information relevant to the implementation of the new NPA

Additionally, NANPA will send a notice to the International Telecommunications Union (ITU) reporting the implementation details for the 670 NPA code within Country Code "1" and the details for the termination of the international use of Country Code "670", for publication in their Operations Bulletin. This will assist in informing the international telecommunications community of the change and the ITU of when Country Code 670 will be available for reassignment. However, international carriers operating in CNMI should inform carriers worldwide with which they interconnect of the implementation details for the 670 NPA. This will facilitate timely international conformance to the 670 NPA implementation.

Very importantly, after the implementation of the 670 NPA, CNMI will be responsible for administration of the numbering resource within the 670 NPA; namely, the assignment of central office (NXX) codes and their entry into the appropriate routing and rating databases. The industry has developed standard procedures for the assignment of NXXs which can be found in document INC 95-0407-008, *Central Office Code (NXX) Assignment Guidelines*. The industry must be notified of the assignment of new NXX codes in the 670 NPA so that calls to these codes may be correctly routed and rated. To accomplish the notification, the NXX code administrator enters newly assigned NXX codes into databases maintained by Bellcore's Traffic Routing Administration Group. Your designated administrator should contact Donald Baechler, Director, Traffic Routing Administration, on 908-699-6600 for information regarding the entry of these codes into the nationwide databases.

Please inform us if we can be of any assistance in the development of the implementation plan for the new 670 NPA. We look forward to receiving the information requested above for inclusion in the IL. Questions regarding the 670 NPA assignment and implementation may be referred to me, or to Jim Deak on 908-699-6612.

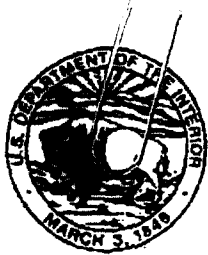
Very truly yours,



copy to

Regina Keeney - FCC
David Ecret - Office of the Governor CNMI
Michael Helm - Industry Canada
Glenn Pilley - Industry Canada

ATTACHMENT B



NEWS

U.S. DEPARTMENT OF THE INTERIOR

Office of Insular Affairs
For Immediate Release
April 16, 1996

Contact: Steve Sander
(202) 208-4754

Guam and CNMI to Get Area Codes

Guam area code 671 and Northern Marianas area code 670 are slated for implementation beginning July 1, 1997 due to action taken today by the North American Numbering Plan (NANP) Administrator in Washington, D.C. The prefix "1" will replace the currently used international prefix "011".

"Working as a team, the Office of Insular Affairs, Guam, and the CNMI prevailed first with Federal agencies like the Federal Communications Commission and the State Department," said OIA Director Allen Stayman, "and then overcame the objections from Canada."

Last week, Telelobe Canada, Inc. withdrew its objection to Guam and CNMI participation in the NANP, clearing the way for use of the area codes.

Secretary of the Interior Bruce Babbitt recently endorsed the Guam and CNMI inclusion in the NANP. Babbitt arguments included legal and policy reasons, and the recent enactment of the Telecommunications Act of 1996, which requires that island consumers receive telecommunications and information services comparable to U.S. urban areas.

"Similar area code service for the islands and mainland U.S. helps avoid confusion and is an up-front signal to the world that Guam and the CNMI are American," Stayman said. "The Office of Insular Affairs is glad it could play a role in educating the various parties on the merits of the area code proposal."

-DOI-

ATTACHMENT C

GUAM/CNMI WORKING GROUP PROPOSAL

IT IS RESOLVED:

1. THE GOVERNOR OF GUAM RATE INTEGRATION WORKING GROUP BE RENAMED THE GUAM/CNMI WORKING GROUP AND WILL CONTINUE TO WORK TOGETHER TO IDENTIFY, DISCUSS AND PRESENT RECOMMENDATIONS TO THE FEDERAL COMMUNICATIONS COMMISSION REGARDING ISSUES ARISING OUT OF THE IMPLEMENTATION OF THE COMMUNICATIONS ACT OF 1934 AS AMENDED.

IT IS PROPOSED:

1. THAT RATE INTEGRATION SHOULD INVOLVE THE INCORPORATION OF GUAM AND THE CNMI INTO THE DOMESTIC RATE PATTERN FOR MESSAGE TELEPHONE SERVICE. EACH CARRIER SHOULD ESTABLISH ITS OWN RATES BASED ON A CONSISTENT RATE-MAKING METHODOLOGY IN COMPLIANCE WITH COMMUNICATIONS ACT OF 1934, AS AMENDED.

2. THAT, AS FAR AS PRACTICABLE, IMPLEMENTATION OF RATE INTEGRATION SHOULD BE CONTINGENT UPON INCLUSION OF GUAM AND THE CNMI WITHIN THE NORTH AMERICAN NUMBERING PLAN AND CONVERSION TO EQUAL ACCESS AND COST-BASED INTERSTATE ACCESS TARIFFS.

3. {CONSIDER SUPPORT MECHANISM?}

4. OPTIONAL CALLING PLANS, PROMOTIONS, AND DISCOUNTS WILL BE OFFERED TO SUBSCRIBERS IN GUAM AND THE CNMI IN COMPLIANCE WITH THE COMMUNICATIONS ACT OF 1934 AS AMENDED.

5. THAT TELECOMMUNICATIONS SERVICES, AS DEFINED UNDER THE COMMUNICATIONS ACT OF 1934, AS AMENDED, OTHER THAN MTS, TO THE EXTENT THEY ARE OFFERED ON A NATIONWIDE BASIS, SHOULD ALSO BE OFFERED ON GUAM AND THE CNMI, IF THE DEMAND EXISTS. RATES FOR THOSE ON A CONSISTENT RATE-MAKING METHODOLOGY IN COMPLIANCE WITH THE COMMUNICATIONS ACT OF 1934, AS AMENDED.

6. THE IMPLEMENTATION OF RATE INTEGRATION SHOULD NOT DISCOURAGE FLEXIBILITY AND COMPETITIVE RESPONSES AMONG CARRIERS SERVING GUAM AND THE CNMI.